



MEMORANDUM TO VENICE CITY COUNCIL

FROM: Javier Vargas, Utilities Director, and R. David Jackson, Assistant City Attorney

DEPARTMENT: Utilities Department

THROUGH CHARTER OFFICER: Edward Lavallee, City Manager **E-SIGN:**

DATE: July 6, 2022

MEETING DATE: Tuesday, July 12, 2022

COUNCIL ACTION REQUESTED: For Council Adoption by Consent Motion

SUPPORTS STRATEGIC PLAN: Goal Three: Ensure a Fiscally Sound City

SUBJECT / TOPIC: Utility Reimbursement Agreement with Meritage Homes of Florida, Inc.

BACKGROUND INFORMATION: Meritage Homes of Florida, Inc. ("Meritage") is currently developing a residential project within the City of Venice, northeast of Interstate 75 in the vicinity of Rustic Road (the "Project"). In order to connect the Project to the City's potable water system, Meritage is required to extend a 12"-water main from the Project boundary to the intersection of Knights Trail Road and Gene Green Road where it will connect to the City's planned 16"-watermain which is to be constructed along Knights Trail Road and extend from the intersection at Gene Green Road to Triple Diamond Boulevard (the "City Water Main Segment"). The City Water Main Segment is part of the City's planned Booster Pump Station project; however, it is not scheduled to be constructed by the City by the time the Project is expected to be ready to connect and receive potable water service from the City. Accordingly, Meritage has expressed a desire to construct the City Water Main Segment for the City, so that the City can provide potable water service to the Project in accordance with Meritage's construction schedule.

STAFF RECOMMENDATION: Under the proposed Utility Reimbursement Agreement (the "Agreement"), Meritage will construct the City Water Main Segment in accordance with the City's approved plans and the proposed construction bid attached as Exhibit "C" to the Agreement. In exchange, the City will reimburse Meritage for a share of the total cost to construct the City Water Main Segment in the amount of \$1,045,272.45 (the "Reimbursement Amount"). The City recently received bids to construct the Booster Pump Station project, which included an option for constructing the City Water Main Segment. The Reimbursement Amount was determined based on the lowest bid received for the construction of the City Water Main Segment, with some accounting allowed for mobilization and maintenance of traffic related solely to the construction of the City Water Main Segment. In addition, the City has reviewed the proposed construction bid and it was determined that the bid was consistent with the City's approved plans and that the construction cost estimate provided aligned with those for similar projects constructed in Florida.

Meritage has approved the Agreement and it is anticipated that it will be executed by Meritage

prior to the City Council meeting. Accordingly, the Agreement between the City and Meritage is provided for approval by the City Council and execution by the Mayor.

Yes N/A

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Document(s) Reviewed for ADA compliance <small>(required if for agenda posting)</small> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | City Attorney Reviewed/Approval |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Risk Management Review |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Finance Department Review/Approval |
- Funds Availability (account number): [Click or tap here to enter text.](#)

Original(s) attached: Agreement

Cc: Kelly M. Fernandez, City Attorney

Kelly Michaels, City Clerk